

**STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

**Adam John Korejsza,
Owner-Resident Producer
System ID No. 0041810**

Enforcement Case No. 08-7021

**Lisa Ann Rock
System ID No. 0462058**

**Manhattan Group Services, LLC
a/k/a Manhattan Group Services
System ID No. 0086253**

Respondents.

ORDER FOR SUMMARY SUSPENSION

The Office of Financial and Insurance Regulation ("OFIR") alleges that the following facts are true and correct. OFIR believes that those facts constitute activities of the Respondents that present a serious and immediate threat to the public's health, safety and welfare. OFIR believes that emergency action is clearly required to protect the public's interest. OFIR believes that the immediate harm to the public presented by the continuing operation of Respondents insurance business, as alleged below, is much greater than the potential harm to the Respondents that might be occasioned by summary action against the licenses and authorities of Respondent Adam J. Korejsza, ("Respondent Korejsza"), Respondent Lisa Ann Rock, ("Respondent Rock"), and

Respondent Manhattan Group Services, LLC a/k/a Manhattan Group Services
("Respondent Manhattan"), (collectively "Respondents").

GENERAL ALLEGATIONS AND OVERVIEW

It is alleged that the following statements are true:

COUNT I

VIOLATION OF MCL 500.1247(2) AND MCL 511.1239(1)(f) and (m)
RESPONDENT KOREJSZA

1. On April 30, 2004, Respondent Korejsza became a Michigan licensed resident insurance producer.
2. On May 13, 2005, Respondent Korejsza pled guilty to a felony conviction for committing False Pretenses of \$20,000 or more, MCL 750.2185A, in the County of Oakland, State of Michigan.
3. On October 21, 2005, Respondent Korejsza pled guilty to a felony conviction for failing to pay child support, MCL 750.165, in the County of Oakland, State of Michigan.
4. Respondent Korejsza knew or had reason to know that Section 1247(2) of the Insurance Code, ("the Code"), MCL 500.1247(2), requires:

Within 30 days after the initial pretrial hearing date, an insurance producer shall report to the commissioner any criminal prosecution of the insurance producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents.

5. Respondent Korejsza failed to report to the Commissioner his criminal convictions under MCL 750.2185A and 750.165 in the County of Oakland, State of Michigan in violation of Section 1247(2) of the Code.
6. Respondent Korejsza knew or had reason to know that Section 1239(1)(m) of the Code, MCL 500.1239(1)(m) allows the Commissioner to revoke an insurance producer's license for failing to comply with a court order imposing a child support obligation.
7. Respondent Korejsza failed to comply with a court order imposing a child support obligation and pled guilty to such an offense in the County of Oakland, State of Michigan, thereby violating Section 1239(1)(m) of the Code.

8. Respondent Korejsza knew or had reason to know that Section 1239(1)(f) of the Code, MCL 500.1239(1)(f), allows the Commissioner to revoke an insurance producer's license for having been convicted of a felony.
9. Respondent Korejsza violated Section 1239(1)(f) of the Code, through his criminal convictions under MCL 750.2185A and MCL 750.165 in the County of Oakland, State of Michigan.
10. Due to the high likelihood that Respondent Korejsza will continue to violate the Code and cause harm to the public, the Commissioner needs to take emergency action to protect the public by issuing an Order of Summary Suspension.

COUNT II
VIOLATION OF MCL 500.1239(1)(a) and (c)
RESPONDENT ROCK

11. At all pertinent times Respondent Rock was the wife of Respondent Korejsza.
12. Respondent Rock was formerly known as Lisa A. Roseman.
13. Respondent Rock has a criminal record in the State of Florida, consisting of misdemeanor and felony charges and arrests, including the following:

<u>Date</u>	<u>Charge</u>	<u>Level</u>
1988	Utter Worthless Check	Misdemeanor
2000	Obtain Property by Worthless Check	Felony
2000	Obtain Property by Worthless Check	Felony
2000	Obtain Property by Worthless Check	Felony
2000	Obtain Property by Worthless Check	Misdemeanor
2001	Fraud-Impersonation	Felony

14. All of these charges and arrests were made when Respondent Lisa A. Rock was known as Lisa A. Roseman.
15. Disclosure of such criminal charges is required in Question Number 1 of the Michigan Application for Individual Resident Producer License ("Application").
16. Disclosure of such criminal allegations is required in Question Number 5 of the Application.
17. Disclosure of using former names is required in the Application.
18. Respondent Rock failed to disclose these criminal charges on her Application dated January 20, 2008.

19. Respondent Rock failed to disclose her use of the former name "Lisa A. Roseman."

20. As a licensed insurance producer, Respondent Rock knew or had reason to that Section 1239(1)(a) and (c) of the Code, MCL 500.1239(1)(a) and (c), state:

In addition to any other powers under this act, the commissioner may place on probation, suspend, revoke, or refuse to issue an insurance producer's license or may levy a civil fine under section 1244 or any combination of actions for any 1 or more of the following causes:

(a) Providing incorrect, misleading, incomplete, or materially untrue information in the license application.

* * *

(c) Obtaining or attempting to obtain a license through misrepresentation or fraud.

21. Based upon the above-cited conduct, Respondent Rock has violated Sections 1239(1)(a) and (c) of the Code, MCL 500.1239(1)(a) and (c).

22. Due to the high likelihood that Respondent Rock will continue to violate the Code and thereby cause harm to the public, the Commissioner needs to take emergency action to protect the public by issuing an Order of Summary Suspension.

COUNT III

VIOLATIONS OF MCL 500.1239(1)(d), (h) and MCL 500.1207(1) and (2) **RESPONDENTS KOREJSZA, ROCK AND MANHATTAN**

23. On October 9, 2008, the City of River Rouge sent a letter, ("River Rouge letter"), to OFIR stating among other things, that Respondents Manhattan and Korejsza sold health care coverage insurance, including prescription coverage to the City of River Rouge, for its current and retired employees.

24. The River Rouge letter alleges that Respondents Manhattan and Korejsza were retained by the City of River Rouge at the request of CVA PHARMACARE and that in the past 18 months has embezzled approximately \$800,000.00; that Respondent Korejsza is on probation in Wayne County for an Oakland County conviction of embezzlement of more than Twenty Thousand Dollars; that Respondent Korejsza was arrested for embezzlement of more than Twenty Thousand Dollars, in January 2008, by the Gross Pointe Police Department.

25. Additionally, the River Rouge letter requests that OFIR take the necessary steps to have Respondents' insurance producers' licenses revoked.

26. In addition the City of River Rouge has filed a Civil Complaint against Respondents in the 3rd Judicial Circuit Court for the County of Wayne, Case No. 08-124433-CK, alleging that Respondents committed various acts of Breach of Contract, Fraud, Criminal Conversion, Civil Conversion, Unjust Enrichment; Breach of Fiduciary Duty, Third Party Contractual Interference.
27. As licensed insurance producers, Respondents knew or had reason to that Section 1239(1)(d) of the Code prohibits “[i]mproperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business.”
28. Respondents have “[i]mproperly withheld, misappropriated or converting any money or property received in the course of doing insurance business,” in violation of Section 1239(1)(d) of the Code.
29. As licensed insurance producers, Respondents knew or had reason to that Section 1239(1)(h) of the Code prohibits “[u]sing fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.”
30. Respondents have engaged in “[f]raudulent, coercive, or dishonest practices” and demonstrated “incompetence, untrustworthiness, or financial irresponsibility in the conduct of business” in violation of Sections 1239(1)(h) of the Code.
31. As licensed insurance producers, Respondents knew or had reason to that Section 1207(1) and (2) of the Code provides:
 - (1) An agent shall be a fiduciary for all moneys received or held by the agent in his or her capacity as an agent. Failure by an agent in a timely manner to turn over the money which he or she holds in a fiduciary capacity to the persons to whom they are owed is prima facie evidence of violation of the agent's fiduciary responsibility. An agent shall not accept payment of a premium for a medicare supplemental policy or certificate in the form of a check or money order made payable to the agent instead of the insurer. Upon receiving payment of a premium for a medicare supplemental policy or certificate, an agent shall immediately provide a written receipt to the insured.
 - (2) An agent shall use reasonable accounting methods to record funds received in his or her fiduciary capacity including the receipt and distribution of all premiums due each of his or her insurers. An agent shall record return premiums received by or credited to him or her which are due an insured on policies reduced or canceled or which are due a prospective purchaser of insurance as a result of a rejected or declined application.

32. Respondents have violated Section 1207(1) & (2) of the Code by committing various acts of Breach of Contract, Fraud, Criminal Conversion, Civil Conversion, Unjust Enrichment; Breach of Fiduciary Duty, Third Party Contractual Interference against the City of River Rouge.
33. Due to the high likelihood that Respondents will continue to violate the Code through acts of unfair trade practice or fraud, and thereby cause harm to the public, the Commissioner needs to take emergency action to protect the public by issuing an Order of Summary Suspension.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

WHEREAS, Respondent Korejsza failed to report to the commissioner his 2005 criminal convictions under MCL 750.2185A and 750.165 in the County of Oakland, State of Michigan in violation of Section 1247(2) of the Code; and

WHEREAS, Respondent Korejsza violated Section 1239(1)(m) of the Code by failing to comply with a court order imposing a child support obligation and pled guilty to such an offense in the County of Oakland, State of Michigan, thereby; and

WHEREAS, Respondent Korejsza violated Section 1239(1)(f) of the Code, through his criminal convictions under MCL 750.2185A and MCL 750.165 in the County of Oakland, State of Michigan; and

WHEREAS, Respondent Rock violated Section 1239(1)(c) by failing to disclose criminal charges brought against when applying for insurance producer licensure; and

WHEREAS, Respondent Rock failed to disclose her use of the former name "Lisa A. Roseman" in violation of Section 1239(1)(a) of the Code; and

WHEREAS, Respondents Korejsza, Rock and Manhattan have "[i]mproperly withheld, misappropriated or converting any money or property received in the course of doing insurance business," in violation of Section 1239(1)(d) of the Code; and

WHEREAS, Respondents Korejsza, Rock and Manhattan have engaged in “[f]raudulent, coercive, or dishonest practices” and demonstrated “incompetence, untrustworthiness, or financial irresponsibility in the conduct of business” in violation of Sections 1239(1)(h) of the Code; and

WHEREAS, Respondents have violated Section 1207(1) & (2) of the Code by committing various acts of Breach of Contract, Fraud, Criminal Conversion, Civil Conversion, Unjust Enrichment; Breach of Fiduciary Duty, Third Party Contractual Interference against the City of River Rouge; and

WHEREAS, Section 1242(4) of the Code provides that the commissioner may order summary suspension of a license if he or she finds that protection of the public requires emergency action and incorporates this finding in his or her order; and

WHEREAS, based upon the above-cited conduct, the commissioner finds that protection of the public requires emergency action in the form of Summary Suspension of the insurance producer licenses of Respondents Korejsza, Rock and Manhattan.

ORDER

IT IS THEREFORE ORDERED, pursuant to Section 1242(4) of the Insurance Code of 1956, as amended, MCL 500.1242(4), that:

1. The insurance producer licenses of Respondents Korejsza, Rock and Manhattan are hereby Summarily Suspended. The suspension shall be effective upon service of a certified copy of the order on the Respondents.
2. A certified copy of this Order of Summary Suspension shall be served upon the Respondents forthwith.
3. An administrative hearing on this Order for Summary Suspension shall be promptly afforded to Respondents, if requested in writing, not later than 20 days after the effective date of this Order, unless the Respondents request a later date. Any request

for a hearing should be addressed to OFIR, Attention: Hearings Coordinator, Dawn Kobus, P.O. Box 30220, Lansing, Michigan 48909.

4. At the hearing, the commissioner shall determine if the suspension should be continued or if the suspension should be withdrawn, and, if proper notice is given, may determine if the license should be revoked. The commissioner shall announce his or her decision within 30 days after conclusion of the hearing. The suspension shall continue until the decision is announced.
5. Respondents and their officers, directors, employees and agents shall immediately cease and desist from conducting any business as licensed insurance producers under the Code.
6. The Commissioner specifically retains jurisdiction of the matters contained herein to issue such further orders as he may deem just, necessary or appropriate so as to assure compliance with the law and protect the public interest.

OFFICE OF FINANCIAL AND
INSURANCE REGULATION

Date: _____

4/10/09



Stephen R. Hilker
Chief Deputy Commissioner